

**SENATE CONCURRENT  
RESOLUTION No. \_\_\_\_\_**

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DIGEST OF INTRODUCED RESOLUTION

A CONCURRENT RESOLUTION urging the establishment of an interim study committee to study issues pertaining to the mortgage industry.

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**ZAKAS**

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\_\_\_\_\_, read first time and referred to Committee on

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## SENATE CONCURRENT RESOLUTION

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A CONCURRENT RESOLUTION urging the establishment of an interim study committee to study issues pertaining to the mortgage industry.

*Whereas, the Office of the Attorney General has experienced an increase in the number of consumer complaints involving practices of the mortgage industry; and*

*Whereas, many of these practices have been damaging to the financial well-being of the citizens of Indiana: Therefore,*

*Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:*

1           SECTION 1. That the Legislative Council is urged to establish an  
2 interim study committee to do the following:

3           (1) Study the practice of listing Mortgage Electronic  
4 Registration System, Inc. as the mortgagee of record with the  
5 County Recorder's office, in order to reduce the cost of lien  
6 transfers, and assess the following:

7           (A) the potential impact of this practice on county  
8 revenues derived from recording fees; and

9           (B) the potential problems this practice could create for  
10 transferring clear title and providing constructive notice  
11 of encumbrances on property.

12          (2) Study predatory lending practices, including, but not  
13 limited to the following:

14          (A) negative amortization;



- (B) packing;
- (C) flipping;
- (D) equity stripping;
- (E) failure to report a favorable payment history; and
- (F) the practice of including language in the loan agreement requiring an interest rate increase when the loan is declared in default;

and assess the applicability of the Deceptive Trade Practices Statute, or any other statute addressing the legality of these practices.

(3) Study the problem of mortgage fraud and its impact on all consumers through increased fees and interest rates.

(4) Study the ability of current Indiana law to prohibit the above-described practices and to penalize parties for engaging in such practices.

(5) If determined appropriate by the committee, recommend legislation to address the legality of these practices and to implement penalties where appropriate.

SECTION 2. That the committee, if established, shall operate under the direction of the Legislative Council and that the committee shall issue a final report when directed to do so by the Council.

